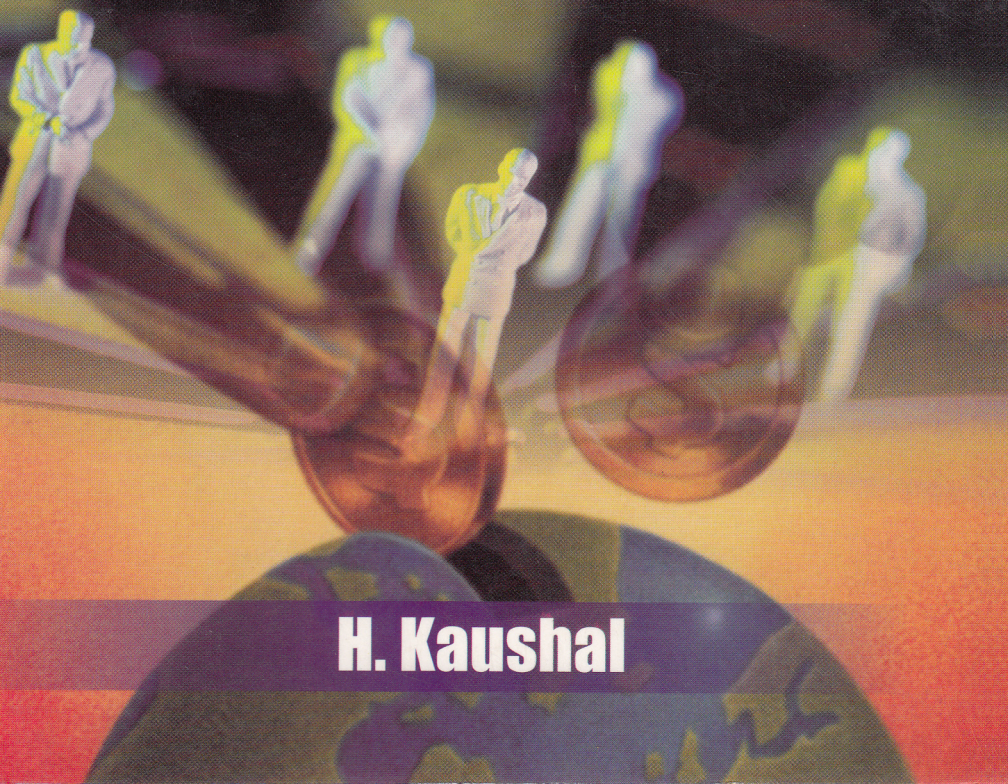


Case Study Solutions Financial Management

2nd Edition



H. Kaushal

CASE STUDY SOLUTIONS
FINANCIAL MANAGEMENT

CASE STUDY SOLUTIONS
FINANCIAL MANAGEMENT

SECOND EDITION

GP. CAPT. H. KAUSHAL, VSM (RETD)





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To

My Wife Neena

*herself an author of 18 books who taught me
to accept and love a person as she is. She stood by me
during decades of married life, made tougher by my faults.*

Preface

I started teaching Management over 25 years ago. It was easy to see that number of management concepts appeared very simple to the students when taught in the classroom. Application of these very theories often, presented difficulties while solving practical corporate world problems. Similarly, management principles were grasped quickly and correctly when these were linked to incidents from my work life of 50 years.

Normally, there should be only a small step from such teaching management principles to solving of case studies. Unfortunately, it is not so. This is because the technique for solving case studies is usually not taught in business schools. There is also an acute shortage of case studies in financial management, especially with Indian background. Teaching management by solving case studies has, therefore, been a casualty. Some institutions have even scraped teaching case studies because of this shortage!

This book is an attempt at making good this vital deficiency. Three chapters in Part I deal with theoretical background of the case studies and general technique of solving a case study. The rest of the book contains case studies, divided into five parts. Parts II and III are for self-study. Part II contains case studies, followed by complete suggested solutions and a case study for exercise. Part III is to help slow learners. Complete solutions have been tapered to hints to the solution. This part has case studies, hints to the solutions and a case study for exercise. Part IV contains numerical problems, which are important for a student of financial management.

Part V consists of many case studies for classroom teaching. Lastly, Part VI narrates cases needing wider and comprehensive coverage. These case studies are suitable for tackling by syndicates. Majority of the case studies have been set in the Indian environment and only some cases have been based on foreign surroundings. This is only to expose the readers appropriately. A serious attempt has been made to cover all facets of financial management theory through these case studies. Topics included in the syllabi of some other institutions like ICWAI, C.A etc have also been covered. A number of cases have been drawn from the question papers of the management and financial institutions, universities etc across the country. This is basically to give confidence to the students about the type of case studies usually included in the examination papers. It needs to be emphasized that the case study solutions are certainly not meant for business schools alone; practicing managers and those preparing for allied institutions will find the book equally useful. Briefly, brushing up the management principle on which a case study is based will help, not only in solving the case study but also in understanding the theoretical concepts better.

I must place on record the help and encouragement given by many individuals. The foremost must be a number of persons from the publishers, M/s. Macmillan (India) Ltd. I am purposely refraining from naming them. The best and most profound gratitude must be reserved for my students in the classrooms, colleagues (seniors, juniors and peers) in various organizations and many teachers from whom I got this knowledge. A number of friends from different cities have sent me examination papers and syllabi of the nearby universities/institutions. I thank them all for the help.

I dedicate this book to my wife Neena Kaushal, herself a renowned author of 18 books. Our married life, spanning over four decades, has been no bed of roses by any stretch of imagination, but without her besides me, I with tones of faults, would have collapsed. She taught me to love and accept a person, as she/he is.

H. Kaushal

Financial management has got its rightful place in the hierarchy of management specializations since about three decades. Earlier finances were expected to be handled by Chartered Accountants or people having a commerce background. Many professionals, from areas like engineering, computers, etc. have joined the financial management cadre. These individuals have often learnt one aspect of financial management and continued to operate in that limited field for many years. It is necessary for these people to broaden their understanding and learn about other aspects of financial management, as they become senior. This book will help them obtain an all round practical knowledge, by solving the case studies, especially those meant for self-study.

Similarly, managers rising to senior positions in the company from various streams like production, marketing, HRD, etc. are at a disadvantage because their exposure to financial management is rather limited. It is unfortunate, but true, that many good, small and medium companies have had to see evil days because the owners did not have adequate knowledge about finance. These units were often too small to afford a finance manager and the owners were not confident about understanding the intricacies of financial management. This book could prove useful for such people by showing them a large number of real life situations, learning to analyze these problems and finding optimum solutions.

Further, the requirements of management students specializing in financial management or students preparing for allied examinations like Chartered Accountancy, ICWA,

commerce, etc. need to be met. These budding financiers must clear their ideas about theoretical concepts taught in the class and learn to apply these principles under zero risk conditions. This will prepare them to meet the demands expected out of them in their future.

The aim of this book would be fulfilled if the readers feel more confident about analyzing problems and finding solutions to them, after reading this book.

Contents

Preface	vii
Financial Management in India	ix

Part I – Theory and Technique for Solving Case Studies, General Case Studies and Discussions about the Solution and an Exercise to Understand the Technique

1. Introduction	3
2. Case Study Method	8
3. Steps for Solving a Case Study	17
4. <i>Case No. 1 – General Problem – To Learn the Method of Solving a Case Study</i>	25
Interview at Mumbai	
5. <i>Case No. 1 – Interview at Mumbai</i>	27
Discussions about the Solution	
6. <i>Case No. 2 – Case Study for Exercise</i>	33
Could Happen in Real Life!	

Part II – Case Studies, Discussions about the Solution and Case Studies as Exercise for Self-study

7. <i>Case No. 3 – Cash Flow</i>	39
Ranade's Dilemma	
8. <i>Case No. 3 – Cash Flow – Ranade's Dilemma</i>	42
Discussions about the Solution	
9. <i>Case No. 4 – Case Study for Exercise – Fund Flow</i>	47
Neena's Nest	

xii Contents

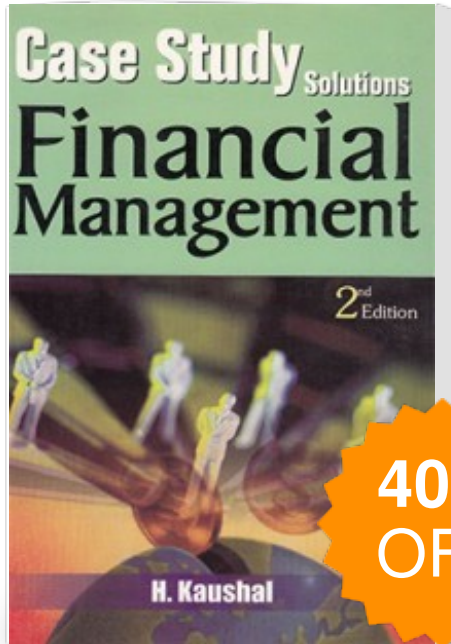
10. <i>Case No. 5 – Budgetary Controls</i>	50
The Resignation	
11. <i>Case No. 5 – The Resignation</i>	55
Discussions about the Solution	
12. <i>Case No. 6 – Case Study for Exercise – Capital Budgeting</i>	60
Malhotra Wind Power Ltd.	
13. <i>Case No. 7 – Allocation of Costs</i>	63
The Awadh Meal	
14. <i>Case No. 7 – Allocation of Cost – The Awadh Meal</i>	68
Discussions about the Solution	
15. <i>Case No. 8 – Case Study for Exercise – Cost Allocation</i>	72
Machine Hour Cost	
16. <i>Case No. 9 – Inventory Management</i>	74
The Wine Maker	
17. <i>Case No. 9 – Inventory Management – The Wine Maker</i>	77
Discussions About the Solution	
18. <i>Case No. 10 – Case Study for Exercise – Inventory Carrying</i>	82
HML, Bhatinda	
19. <i>Case No. 11 – Merger of Companies</i>	85
Detergent Market in India	
20. <i>Case No. 11 – Merger of Companies – Detergent Market in</i>	
<i>India</i>	89
Discussions about the Solution	
21. <i>Case No. 12 – Case Study for Exercise – Mergers</i>	93
AHL, Bangalore	
22. <i>Case No. 13 – Indirect Taxes: Exercise</i>	95
Jayant's Troubles	
23. <i>Case No. 13 – Indirect Taxes: Excise – Jayant's Troubles</i>	97
Discussions about the Solution	
24. <i>Case No. 14 – Case Study for Exercise – Income Tax</i>	100
Different Facets of Income Tax	
25. <i>Case No. 15 – Indirect Taxes: Custom Duty</i>	103
Export: That Never Was	
26. <i>Case No. 15 – Indirect Taxes: Export Duty – Export: That</i>	
<i>Never Was</i>	104
Discussions about the Solution	

27. <i>Case No. 16 – Case Study for Exercise: (MODVAT)</i> M/S Fairlady Ltd.	107
28. <i>Case No. 17 – Audit</i> Different Aspects of Audit – I	108
29. <i>Case No. 17 – Different Aspects of Audit – I</i> Discussions about the Solution	110
30. <i>Case No. 18 – Case Study for Exercise – Auditing</i> Different Aspects of Audit – II	114

Part III – Case Studies, Hints to the Solution and Case Studies for Exercise/ for Self-study

31. <i>Case No. 19 – Ratios-based Financial Analysis</i> The Fortune Teller	119
32. <i>Case No. 19 – Ratio-based Financial Analysis – The Fortune Teller</i> Hints to the Solution	123
33. <i>Case No. 20 – Case Study for Exercise – Ratio-based Financial Analysis</i> Friends and Competitors	126
34. <i>Case No. 21 – International Financial Management</i> Investment Strategy	128
35. <i>Case No. 21 – Internal Financial Management – Investment Strategy</i> Hints to the Solution	131
36. <i>Case No. 22 – Case Study for Exercise – Capital Investment Analysis in Foreign Exchange</i> Haryana Cooperative Farm, Sirsa	134
37. <i>Case No. 23 – Receivable Management</i> Kunti's Game Plan	136
38. <i>Case No. 23 – Bills Receivables – Kunti's Game Plan</i> Hints to the Solution	140
39. <i>Case No. 24 – Case Study for Exercise – Bills Receivables/ Factoring</i> Massive India Ltd.	142

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